GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1795
ANSWERED ON:10.03.2017
Frauds in Banks
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Will the Minister of FINANCE be pleased to state:

(a) whether the cases of frauds in Banks have increased and if so, the details thereof, bank-wise;

(b) whether the Government has developed any mechanism to detect fraud in banks before its reporting by the customers of the banks and if so, the details thereof along with the number of such frauds detected by the banks during each of the last three years and the current year, bank-wise;

(c) whether the bank employees have been found involved in such cases during the said period and if so, the details thereof, bank-wise along with the action taken by the Government/respective bank against such employees; and

(d) the corrective steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) to (d): Information provided by Reserve Bank of India (RBI) for the last three years and the current year, bank-wise providing numbers and amount involved in fraud cases of Rs. 1 lakh and above, including those where staff is involved is Annexed.

RBI has issued Master Direction on "Frauds − Classification and reporting" vide RBI. DBS.CFMC.BC.No.1/23.04.001/2016-17 dated July 01, 2016 containing all the details/aspects relating to frauds. To compress the time taken in detection of fraud, a framework for handling loan frauds has been put in place. Objective of this framework is to direct the focus of banks on the aspects relating to prevention, early detection, prompt reporting to the RBI and the investigative agencies (for instituting criminal proceedings against the fraudulent borrowers) and timely initiation of the staff accountability proceedings. The framework also seeks to stipulate time lines with the action incumbent on a bank. Further, the framework has also prohibited banks from extending bank finance to borrowers who have defaulted and also committed a fraud for five years from the date of full payment of the defrauded amount.On receipt of fraud reports from banks, various aspects related to the frauds are examined and concerned banks are advised to report the case to Central Bureau of Investigation/ Police/ Serious Fraud Investigation Office, examine staff accountability, complete proceedings against the erring staff expeditiously, take steps to recover the amount involved in the fraud, claim insurance wherever applicable and streamline the system as also procedures so that frauds do not recur.

Whenever a complaint against a bank official(s) is received and any irregularities are found or observed on the part of Banks' official (s), the Banks initiate action as per their extant rules and commensurate punishment is awarded to the delinquent employees based on the seriousness of the wrongdoings as per Bank's disciplinary rules.

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Annex-I
Details of fraud cases (amount involved >= ?1.00 Lakh) reported from April 01, 2013 to December 31, 2016 (Rs. in Lakh)

Bank Name 2013-14 (1) 2014-15 (2) 2015-16 (3) June, Sept & Dec Quarters 2016 (4) Total (1+2+3+4)
No. of Frauds Amount involved in Lakh No. of Cases wherein staff is involved No. of Frauds Amount involved in Lakh No. of Cases wherein staff is involved No. of Frauds Amount involved in Lakh No. of Cases wherein staff is involved No. of Frauds Amount involved in Lakh No. of Cases wherein staff is involved
Abu Dhabi Commercial Bank PJSC 1 51 0 1 6.91 0 1 2488.94 0 0 0 0 3 2546.85 0
Allahabad Bank 95 61805.97 16 47 7597.64 6 23 29090.8 5 37 15791.33 9 202 114285.74 36
American Express Banking Corp. 218 2121.99 0 176 1007.51 0 187 641.83 1 124 453.75 1 705 4225.08 2
Andhra Bank 38 21430.33 9 52 51148.11 13 44 25045.92 5 48 13962.36 7 182 111586.72 34
Axis Bank Ltd. 193 47374.34 27 187 33713.54 46 227 33836.39 37 189 199849.41 35 796 314773.68 145

Bandhan Bank Ltd. 0 0 0 0 0 0 1 11.55 1 10 101.79 10 11 113.34 11
Bank of America, National Association 1 10.5 0 0 0 0 0 0 0 0 0 0 1 10.5 0
Bank of Baroda 204 45315.68 19 303 122602.38 29 255 166810 33 176 30225.47 17 938 364953.53 98
Bank of India 100 22690.28 18 131 9244.37 20 156 121757.56 14 124 146499.38 11 511 300191.59 63
Bank of Maharashtra 33 2153.52 12 50 23905.6 3 45 130773.15 11 54 36894.62 10 182 193726.89 36
Bank of Nova Scotia 0 0 0 0 0 0 0 0 0 1 13 0 1 13 0
Barclays Bank Plc 1 123.84 0 0 0 0 0 0 0 0 0 0 1 123.84 0
BharatiyaMahila Bank Ltd. 0 0 0 0 0 0 0 0 0 4 54.77 0 4 54.77 0
Canara Bank 81 18029.56 5 114 17563.19 15 94 158977.98 17 91 50142.94 17 380 244713.67 54
Capital Local Area Bank Ltd 0 0 0 2 18.2 0 0 0 0 0 0 0 2 18.2 0
Catholic Syrian Bank Ltd. 8 2582.29 4 8 179.45 0 11 917.09 6 18 1410.89 4 45 5089.72 14
Central Bank of India 156 82328.52 14 214 214971.8 27 167 17729.55 29 120 47650.74 19 657 362680.61 89
Citibank N.A. 101 1307.15 1 94 848.88 1 115 510.51 2 150 912.34 1 460 3578.88 5
City Union Bank Ltd. 5 226.57 1 2 644.19 1 5 1208.67 2 1 2257.93 1 13 4337.36 5
Corporation Bank 77 27827.82 4 73 122209.34 14 135 132199.37 35 69 53620.28 7 354 335856.81 60
CTBC Bank 1 475 0 3 11165.25 0 1 2000 0 0 0 0 5 13640.25 0
DBS Bank Limited 3 14356.17 0 3 3442.4 2 3 7111.53 0 1 8.19 0 10 24918.29 2
DCB Bank Ltd 8 29.86 2 2 4.08 1 14 459.35 0 0 0 0 24 493.29 3
Dena Bank 36 16280.99 6 41 40015.93 5 21 7102.43 1 32 37142.2 6 130 100541.55 18
Deutsche Bank (Asia) 2 13.69 0 2 15.25 0 1 1.5 0 0 0 0 5 30.44 0
Dhanlaxmi Bank Limited 15 6320.46 9 7 7284.13 1 4 556.12 2 6 9085.09 1 32 23245.8 13
Doha Bank Qsc 0 0 0 0 0 0 0 0 0 3 897.94 0 3 897.94 0
Equitas Small Finance Bank Limited 0 0 0 0 0 0 0 0 0 2 201.52 2 2 201.52 2
EXPORT-IMPORT BANK OF INDIA 1 10000 0 3 13474.3 0 0 0 0 2 10878.83 0 6 34353.13 0
Federal Bank Ltd. 37 957.32 1 44 8173.99 7 49 8199.81 3 52 14482.18 21 182 31813.3 32
FIRSTRAND BANK 0 0 0 0 0 0 0 0 0 1 1.67 0 1 1.67 0
HDFC Bank Ltd. 164 1525.96 12 218 1753.29 11 260 9728.98 29 237 15170.6 49 879 28178.83 101
Hongkong& Shanghai Banking Corporation Ltd. 116 8017.17 4 38 2645.75 0 36 8611.77 0 25 54.22 0 215 19328.91 4
HSBC Bank Oman S.A.O.G 0 0 0 1 32.91 0 0 0 0 0 0 0 1 32.91 0
ICICI Bank Ltd. 485 76306.25 34 433 26977.16 52 588 34767.52 66 455 39606.1 25 1961 177657.03 177
IDBI Bank Limited 92 62554.16 3 56 55795.1 7 129 26205.31 8 84 97873.4 1 361 242427.97 19
IDFC Bank Limited 0 0 0 0 0 0 0 0 0 2 24.1 0 2 24.1 0
IFCI LTD. 0 0 0 1 9818.32 0 5 25336.14 2 1 21486.11 0 7 56640.57 2
Indian Bank 54 4348.64 17 95 9103.97 14 87 13805.59 23 64 45667.91 5 300 72926.11 59
Indian Overseas Bank 125 48473.44 36 138 57564.11 15 109 59832.95 14 87 125771.09 26 459 291641.59 91
IndusInd Bank Ltd. 27 2963.63 12 14 13340.82 7 21 528.9 7 16 233.39 7 78 17066.74 33
ING Vysya Bank Ltd. 14 3958.47 0 35 619.22 9 0 0 0 0 0 0 49 4577.69 9
Jammu & Kashmir Bank Ltd. 7 662.01 3 7 90286.68 0 14 866.55 6 13 23969.75 2 41 115784.99 11
Karnataka Bank Ltd. 21 1548.11 3 22 2212.52 1 15 9195.72 3 19 3009.16 1 77 15965.51 8
KarurVysya Bank Ltd. 11 148.57 1 16 12316.22 5 21 18243.28 4 18 1736.02 3 66 32444.09 13
Korea Exchange Bank 0 0 0 0 0 0 0 0 0 2 2.28 0 2 2.28 0
Kotak Mahindra Bank Ltd. 80 11527.95 3 56 5896.64 4 114 4502.13 6 98 10707.35 10 348 32634.07 23
Krishna BhimaSamruddhi Local Area Bank Ltd 0 0 0 1 1.02 1 0 0 0 0 0 0 1 1.02 1
Lakshmi Vilas Bank Ltd. 6 7072.67 4 5 5449.3 2 12 2201.14 5 4 7923.87 2 27 22646.98 13
Mashreq Bank PSC 0 0 0 0 0 0 1 3.66 0 0 0 0 1 3.66 0
Nainital Bank Ltd. 3 80.07 0 5 55.23 0 21 187.81 0 4 35.91 0 33 359.02 0
Oriental Bank of Commerce 92 5352.37 3 127 76483.75 4 114 80729.58 12 47 14683.44 2 380 177249.14 21
PT Bank Maybank Indonesia TBK 0 0 0 0 0 0 0 0 0 1 1778.18 0 1 1778.18 0
Punjab & Sind Bank 29 6967.19 3 30 3916.14 4 12 13193.85 1 13 17598.25 1 84 41675.43 9
Punjab National Bank 239 55838.25 20 180 230973.13 13 131 35285.23 17 114 225034.43 10 664 547131.04 60
RBL Bank Ltd. 5 1518.56 1 15 905 0 10 383.54 1 10 59.35 1 40 2866.45 3
SBM Bank (Mauritius) Ltd. 1 4631.02 0 0 0 0 0 0 0 0 0 0 1 4631.02 0
Shinhan Bank 0 0 0 0 0 0 2 584.16 0 0 0 0 2 584.16 0
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA 6 674.13 0 7 1109.28 0 2 4531.85 0 3 1130.86 0 18 7446.12 0
South Indian Bank Ltd. 20 1151.4 1 9 1707.47 5 7 158.22 3 7 31396.29 2 43 34413.38 11
Standard Chartered Bank 104 48028.37 7 81 8737.96 4 127 366.03 3 244 521.62 0 556 57653.98 14
State Bank of Bikaner & Jaipur 43 14892.93 5 41 46213.43 4 48 14772.93 5 31 13207.42 6 163 89086.71 20
State Bank of Hyderabad 27 36508.4 10 31 6865.38 16 34 67366.7 7 26 9599.21 7 118 120339.69 40
State Bank of India 549 90697.79 94 651 161854.03 98 562 188797.46 66 429 223681.64 64 2191 665030.92 322
State Bank of Mysore 20 9282.68 3 97 9074.73 6 67 2172.85 6 84 23821.89 3 268 44352.15 18
State Bank of Patiala 40 9885.16 3 39 29030.32 2 40 41319.88 4 32 2920.34 3 151 83155.7 12
State Bank of Travancore 33 11647.84 16 34 23623.31 5 19 13888.03 6 41 5378.37 2 127 54537.55 29
Syndicate Bank 102 13271.8 19 208 79310.45 30 176 164055.1 14 122 19895.13 13 608 276532.48 76
Tamilnad Mercantile Bank Ltd. 27 5230.11 2 21 1262.8 2 12 572.14 2 17 5256.42 1 77 12321.47 7
The Bank of Tokyo - Mitsubishi UFJ, Ltd. 0 0 0 0 0 0 0 0 0 1 123.96 0 1 123.96 0
The Royal Bank of Scotland N.V. 11 41.41 0 2 19.48 0 6 10.04 0 1 1 0 20 71.93 0
UCO Bank 56 36424.06 6 87 141097.72 8 85 24814.88 44 50 58080.18 13 278 260416.84 71
Union Bank of India 85 9209.21 11 111 36982.69 18 146 129772.94 12 74 43106.7 2 416 219071.54 43
United Bank of India 125 34897.95 3 128 68035.15 7 67 14266.71 2 27 8312.04 5 347 125511.85 17
Vijaya Bank 59 6187.44 13 35 35174.35 3 21 10465.4 0 48 3552.42 5 163 55379.61 21
Yes Bank Ltd 12 1736.34 1 5 58.26 3 10 154.7 0 4 78.51 0 31 2027.81 4

Grand Total 4305 1017074.36 501 4639 1945539.53 551 4690 1869109.72 582 3870 1775027.53 450 17504 6606751.14 2084